KASIKORNTHAI

Management Discussion and Analysis (MD&A)

For the Quarter Ending June 30, 2026

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK

บริการทุกระดับประทับใจ

Executive Summary of Management Discussion and Analysis
For the Quarter Ending June 30, 2026

Thailand's economy slowed in the second quarter of 2026 from the previous quarter amid intensifying external headwinds, particularly the Middle East conflict, which kept energy costs elevated and added upward pressure on domestic inflation and the cost of living. Meanwhile, the positive impact of government stimulus measures has yet to be fully transmitted through the economy. The tourism sector also faced constraints on its recovery, with the number of foreign tourist arrivals declining from the same period of last year. Although exports remained resilient, supported by strong growth in electronics and AI-related products, exports of other product categories began to soften in line with weaker economic conditions in Thailand's major trading partners. Uncertainty surrounding developments in the Middle East warrants close monitoring, as it could keep global energy prices volatile and elevated. At the same time, the impact of US tariff measures, the evolution of El Niño conditions, and constraints related to the pace and effectiveness of government budget disbursement remain key challenges to Thailand's economic recovery during the remainder of the year.

Against this backdrop, KBank continued to operate the business with prudence through the execution of K-Strategy 3+1 and Productivity, while strengthening its "Customer Strategy" and fostering a corporate culture that emphasizes good corporate governance and appropriate risk management in order to deliver sustainable value to all stakeholders and generate stable returns for shareholders. The Bank closely monitored and assessed developments to ensure timely risk management and enable prompt adjustments to its strategies and business plans, while supporting customers in navigating uncertainties and fully supporting relevant government policies.

Regarding operating performance for the second quarter of 2026 compared with the previous quarter, the Bank and its subsidiaries reported net profit attributable to equity holders of the Bank of Baht 13,247 million, a decrease of Baht 1,420 million or 9.68 percent. Excluding one-off compensation income from investment of Baht 1,455 million, net profit attributable to equity holders of the Bank decreased by Baht 131 million or 0.98 percent from the previous quarter due to the decline in net interest income by Baht 525 million or 1.64 percent. Meanwhile, non-interest income increased by Baht 727 million or 4.14 percent, mainly attributable to an increase in gain on financial instruments measured at fair value through profit or loss amid volatile yet favorable market conditions, as well as growth in fund management service income from investment solutions tailored to customers' needs. Other operating expenses rose by Baht 1,471 million or 7.63 percent, due largely to an increase in marketing expenses in line with revenue growth, as well as IT-related expenses to enhance the Bank's capabilities in customer service and operations. In addition, the Bank and its subsidiaries prudently set aside expected credit loss (ECL) of Baht 10,019 million, an increase of 1.99 percent.

For operating performance for the six-month period of 2026 compared with the six-month period of 2025, the Bank and its subsidiaries reported net profit attributable to equity holders of the Bank of Baht 27,915 million, an increase of Baht 1,635 million or 6.22 percent. Excluding one-off compensation income from investment, net profit attributable to equity holders of the Bank increased by Baht 329 million or 1.25 percent from the same period of the previous year. The improvement was mainly driven by higher non-interest income, particularly from

wealth management services through strengthening the “Customer Strategy”, and the offering of financial products from the Bank and its subsidiaries, as well as partners, in line with favorable market conditions, as well as income from insurance services and investments. Meanwhile, net interest income declined by Baht 6,690 million or 9.55 percent, mainly due to the downward trend in interest rates and the Bank’s interest rate reductions to assist customers. As a result, net interest margin (NIM) stood at 2.91 percent, compared with 3.36 percent in the same period of the previous year.

Other operating expenses declined by Baht 825 million or 2.02 percent, while the cost-to-income ratio stood at 40.33 percent, reflecting the Bank's continued efforts to enhance operational efficiency across multiple dimensions, including human resource management, process improvement, and the application of technology, including artificial intelligence (AI), to support operations and strengthen the Bank’s long-term capabilities. In addition, the Bank and its subsidiaries set aside expected credit loss (ECL), based on a prudent approach, at Baht 19,842 million, broadly unchanged from the same period of the previous year, ensuring that reserves remain at an appropriate level to cushion against ongoing domestic and external economic uncertainties. The credit cost ratio stood at 1.58 percent, in line with the Bank’s 2026 target for credit cost ratio of 1.40-1.60 percent, as disclosed to the Stock Exchange of Thailand. The Bank’s NPL gross to total loans stood at 3.18 percent and coverage ratio stood at 173.90 percent, as of June 30, 2026.

Regarding capital position of KASIKORNBANK FINANCIAL CONGLOMERATE, the capital adequacy ratio per the Basel III Accord stood at 19.24 percent, with Tier 1 capital ratio of 17.35 percent and Common Equity Tier 1 ratio of 16.95 percent, all well above the Bank of Thailand’s minimum requirements. These ratios reflected our robust capital base, which is adequate to support business operations under both normal and stressed conditions. The Bank remains committed to prudent capital management to maintain an optimal capital structure while supporting sustainable long-term growth.

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1. Overview of Operating Environment

1.1 Global and Thai Economy in the second quarter of 2026

In the second quarter of 2026, the global economy came under pressure from an energy price shock triggered by tensions in the Middle East, which intensified inflationary pressures and constrained the ability of many central banks to ease monetary policy. The US Federal Reserve maintained a hawkish policy stance, as inflation continued to remain above its 2-percent target. Meanwhile, the European Central Bank resumed raising its policy rate in the middle of the year despite a slowing economy. In China, economic growth remained on track but may fall below the government's target, reflecting weak domestic demand, while the property sector – one of the country's key economic drivers – has yet to show a meaningful recovery. Against this backdrop of heightened global uncertainty, the International Monetary Fund (IMF) projected global economic growth of 3.0 percent in 2026, slowing from 3.5 percent in the previous year, with downside risks stemming from geopolitical uncertainty, energy price volatility, and the possibility of interest rates remaining elevated for longer.

For Thailand, the economy in this quarter slowed from the first quarter, primarily due to external factors. In particular, the conflict in the Middle East drove up energy costs, transportation expenses, and living costs, placing additional pressure on businesses and household purchasing power. The tourism sector also recovered more slowly than expected, as the number of international tourist arrivals declined from the same period of last year. Meanwhile, exports related to technology products and artificial intelligence (AI) continued to expand, although growth in other export categories began to soften in line with the slowing economies of Thailand's major trading partners.

In the second half of 2026, Thailand's economy is expected to improve, supported by government stimulus measures, a gradual recovery in domestic spending, and continued momentum in exports and investment in technology-related industries. However, these positive drivers are unlikely to materially alter the overall outlook for the year, as the economy continues to face risks from volatile energy prices amid signs of a prolonged conflict in the Middle East, trade policies in major economies, still-fragile domestic purchasing power, as well as fiscal constraints and the effectiveness of government spending. Together, these factors are expected to remain key challenges to Thailand's economic recovery over the remainder of the year, leading to expectations that economic growth in 2026 will moderate compared with 2025.

1.2 Banking Industry

Overall, net profit of domestically registered commercial banks declined in the second quarter of 2026 compared with both the previous quarter and the same period of last year. Core business income, particularly net interest income, continued to decline in line with lower lending rates and a modest recovery in loan growth. Nevertheless, higher net fee and service income and other non-interest income, together with a slower pace of expected credit loss (ECL) provisions, helped partially offset the pressure on earnings. Meanwhile, the ratio of non-performing loans (NPLs) to total loans decreased from the previous quarter, supported by proactive NPL management, debt restructuring efforts, and borrower assistance measures.

During the first six months of 2026, the overall net profit of domestically registered commercial banks moderated compared with the same period of 2025, mainly due to the continued decline in net interest income. This was despite increases in net fee and service income and other non-interest income, including net gains on financial instruments measured at fair value through profit or loss (FVTPL) and dividend income, compared with the same period of the previous year.

As of the end of the second quarter of 2026, loans to customers and net accrued interest receivables of the 17 domestically registered commercial banks increased by 1.93 percent year-on-year and 2.54 percent from year-end 2025. Loan growth was primarily driven by lending to large corporates and the public sector, while SME loans and retail lending continued to contract, reflecting the uneven economic recovery and the still-fragile financial position of certain borrower segments. Meanwhile, outstanding deposits in the commercial banking system increased by 3.11 percent year-on-year and 0.99 percent from year-end 2025, driven largely by growth in savings deposits.

For the remainder of 2026, the commercial banking business is expected to continue facing challenges. Core business income, particularly net interest income, is likely to remain under pressure from the low interest rate environment and the limited recovery in loan growth. Meanwhile, net fee and service income is expected to moderate following the phased implementation of the Bank of Thailand's regulations on service fee standards and service provision. Asset quality also remains a key area requiring close monitoring, as the financial position of some households and SME borrowers remains fragile and could weigh on their debt-servicing capacity. Against this backdrop, commercial banks are expected to maintain a prudent approach to lending and risk management, while preserving adequate expected credit loss (ECL) provisions to cushion against uncertainties in the economic outlook and the broader business environment, including risks arising from developments in the Middle East.

1.3 Significant Regulations and Rules Related to Business Operations

In the second quarter of 2026, regulations and rules that may have affected KBank's and K Companies' business operations are as follows:

❑ Refunds to Victims of Technology Crimes

▪ The Ministerial Regulation on Refunds to Victims of Technology Crimes B.E. 2569 (2026) was published in the Government Gazette on May 14, 2026 and will come into effect on August 12, 2026. The regulation sets out the responsibilities of financial institutions ("FIs") and business operators under the Payment Systems Act and digital asset business operators under the Digital Asset Business Act (collectively, "business operators"). The key provisions are summarized below:

- When an FI or business operator suspends transactions involving a deposit account, e-money account, and/or digital wallet associated with technology crime (Digital Fraud), it must report at least the information prescribed by the Ministerial Regulation to the Anti-Money Laundering Office (AMLO) through the system designated by AMLO.

- Upon receiving from AMLO an order of the Transaction Committee issued under the Anti-Money Laundering Act, or a judgment or order of the Civil Court, requiring the return of funds or digital assets, the FI or business operator must lift the transaction suspension and transfer the funds or digital assets to the deposit account, e-money account, or digital wallet designated by AMLO. Where no return of funds or digital assets is required, the FI or business operator must proceed with any other actions within the scope of its duties and legal authority, as applicable.

❑ Assistance Measures for Debtors Affected by Economic Conditions and Energy Prices

▪ BOT Circulars No. Wor. 2341/2569 and No. Wor. 2343/2569 Re: Assistance Measures for Debtors Affected by Economic Conditions and Energy Prices, became effective on April 8, 2026. The BOT requested financial institutions and non-banks under the BOT's supervision to expedite appropriate and timely assistance for retail and business debtors, particularly SMEs, through the following measures:

- Existing loans: Financial institutions and non-banks are encouraged to implement pre-emptive measures by reducing repayment burdens in line with borrowers' financial circumstances as soon as signs of repayment difficulties emerge. They shall also clearly communicate and explain the terms and conditions of the assistance measures, including any potential implications of participation, to debtors and guarantors.
- New lending: Financial institutions can leverage the SMEs Credit Boost program, which helps mitigate lending risks, to expedite financing for investments in energy efficiency and business capability enhancement. For SME borrowers with collateral, financial institutions may extend credit under the SMEs Secure+ framework, which temporarily relaxes repayment capacity assessment requirements, subject to BOT guidelines, BOT review, and approval by the relevant committees.

▪ BOT Circular No. Wor. 2731/2569, effective on May 7, 2026, Re: Request for Cooperation in Supporting New Lending through Government Mechanisms and Measures to Assist Debtors Affected by Economic Conditions and Energy Prices. The objective is to enhance debtors' access to funding in accordance with their financing needs while mitigating credit risks for financial institutions. The BOT encourages financial institutions to leverage key measures, including the Government Savings Bank's Soft Loan program, the SMEs Credit Boost program, and liquidity enhancement facilities under the SMEs Secure+ framework for businesses facing persistently high energy costs.

▪ BOT Circular No. Wor. 3343/2569, effective on June 5, 2026, Re: Request for Cooperation in Providing Assistance to Debtors under the "You Fight, We Help" and "Asset Warehousing" Programs Affected by Economic Conditions and Energy Prices. The measures aim to alleviate debtors' financial burdens and support their sustainable recovery. Key provisions include:

- Debtors under the "You Fight, We Help" program: Financial institutions and companies within financial business groups are required to maintain installment payments at 50 percent of the

original installment amount for borrowers prior to their program entry. For affected debtors with overdue payments, financial institutions are requested to consider allowing them to remain in the program in accordance with BOT guidelines, enabling them to continue receiving program benefits upon resumption of repayments.

- Debtors under the “Asset Warehousing” program: The BOT encourages financial institutions to utilize government mechanisms and support measures to assist debtors seeking financing to repurchase their transferred assets, such as the Government Savings Bank's Soft Loan program, the SMEs Credit Boost program, and lending under the “SMEs Secure+” framework. The BOT is also conducting a public hearing on proposed regulations to extend the asset repurchase period, with the aim of aligning the measure with prevailing economic conditions and enabling debtors to retain their assets in line with the program's objectives.

❑ Service Fee Standards and Service Provision

▪ BOT Notification No. 23/2569 Re: Service Fee Standards and Service Provision became effective on June 2, 2026. Its objective is to establish fair fee standards for basic financial services that are aligned with actual costs, reduce fee disparities among service providers, and help alleviate the financial burden on consumers. The standards covers 19 items across four main categories: deposit account fees; electronic card charges; payment transaction fees; and SME lending-related charges. These include key fees for financial documents, ATM/debit cards, fund transfers, and loan-related services. The implementation will be phased in across three effective dates: July 1, 2026; September 1, 2026; and October 1, 2026.

In addition, the BOT stipulates that financial institutions are not allowed to increase existing fees or introduce new fees in lieu of those subject to the prescribed standards, except where justified by factors such as higher operating costs, the expiry of promotions, or changes in customer risk profiles. Any such adjustments must be supported by appropriate evidence, and financial institutions are required to disclose service fees accurately, clearly, and on a timely basis. Financial institutions may, however, offer terms and conditions that are more favorable to customers than the prescribed minimum standards, thereby enhancing consumer protection and promoting greater fairness across the financial system.

2. Risk Management and Risk Factors

2.1 Credit Risk Management

KBank places importance on the management of credit risk, which is classified as a key risk. Through active credit portfolio management and stress testing, the Bank can identify potential risks and formulate response plans in a timely manner amid multifaceted challenges arising from both domestic and international factors. This is carried out alongside monitoring and assessment of the impacts of significant events, to ensure that all customer segments and supply chain networks can achieve sustainable growth in line with the Bank's strategic direction. In this quarter, the Bank had risk management plans in place to address immediate situations as well as long-term contingency plans as follows:

- **Managing lending risks:** The Bank closely reviewed loan growth targets for each industry, focusing on diversification of credit exposure across customer segments, products, industries, and counterparty countries to mitigate potential impacts and maintain appropriate returns within the risk appetite.
- **Introducing relief measures for retail and SME customers:** Focus was on sustainable debt resolution and restoring debtors' repayment capacity. Retail borrowers and SMEs were offered participation in the "Clear Debt, Move Forward" program designed to help them re-enter the formal financial system. Additionally, operations were undertaken in accordance with the Bank of Thailand's other initiatives and assistance guidelines, including relief measures for customers affected by natural disasters.
- **Ensuring quality credit expansion:** For business loans, the Bank prioritized existing borrowers with good repayment records, those with secured loans, and clients in high-growth industries. For retail consumer loans, the approval process is based on the credit policy and credit scoring model which assess customers' risk profiles. In addition, the Bank adheres to the responsible lending guidelines, ensuring that customers retain sufficient residual income after servicing all debt obligations to cover their living expenses.
- **Improving risk management process:** The Bank developed an early warning system to enable faster risk management, leveraged AI to support risk monitoring and management, and enhanced the efficiency and robustness of credit approval process.

Moreover, the Bank continuously provided credit in line with the strategic plan to reduce greenhouse gas emissions, thereby addressing climate-related risks. Analytical models were applied to support debt collection strategies for improved effectiveness. The Bank also managed non-performing assets through NPL sales and adequate provisions to cover expected credit loss, in alignment with prudent business practices amid economic uncertainties.

2.2 Market Risk Management

In the second quarter of 2026, geopolitical tensions in the Middle East triggered an energy price shock and intensified inflationary pressures. As a result, the US Federal Reserve maintained its policy rate at 3.50-3.75 percent and continued to signal a more hawkish monetary policy stance. This led to higher US Treasury yields and a stronger US Dollar. Towards the end of the quarter, the US and Iran reached a preliminary ceasefire agreement, easing concerns over disruptions to global energy supply and contributing to a gradual decline in oil prices. Nevertheless, uncertainty surrounding a long-term agreement between the two countries, together with persistent inflationary pressures, remained a key risk.

On the domestic front, the Monetary Policy Committee maintained its policy rate at 1.00 percent amid a slowdown in the Thai economy and continued uncertainty surrounding developments in the Middle East. Nevertheless, Thai government bond yields declined as inflationary pressures eased, while the Thai Baht traded within a range of Baht 32.00-33.50 per US Dollar.

Against this backdrop, the Bank's market risk remained well within its approved risk appetite despite heightened market volatility. The Bank continued to closely monitor market developments and regularly assess the impact of movements in key market variables, enabling it to respond promptly and effectively to fluctuations in the money and capital markets. The Bank also maintained a robust risk management framework under the oversight of the Risk Oversight Committee, the Market Risk Management Sub-committee, and the Enterprise Risk Management Division, ensuring that risk exposures remained within the risk appetite.

2.3 Liquidity Risk Management

During the second quarter of 2026, the Bank maintained a high level of liquidity sufficient to support business operations and meet financial obligations on an ongoing basis. Its deposit base, funding sources, and overall funding capacity remained stable despite subdued economic growth in Thailand and continued uncertainty in global financial markets arising from geopolitical tensions in the Middle East.

The Bank continued to closely monitor the operating environment while conducting analyses and assessments of potential impacts. It also maintained readiness and evaluated appropriate funding alternatives for both Thai Baht and foreign currency liquidity to mitigate potential liquidity shortages. At the same time, the Bank reviewed and enhanced its liquidity risk management and monitoring processes to ensure alignment with prevailing economic conditions and the rapid movements in financial asset prices. These activities were carried out under the oversight of the Risk Oversight Committee, the Asset and Liability Management Sub-committee, and the Enterprise Risk Management Division to ensure that liquidity risk remained within the approved risk appetite. In addition, the Bank continuously assessed the potential impacts on loan growth, deposit levels, and liquidity over both the short and long term to support the formulation of appropriate funding strategies.

2.4 Digital Risk Management

Digital risk has become a significant source of risk that may materially affect the Bank through financial losses, operational disruptions, reputational damage, and diminished confidence among customers and other stakeholders. Such risks arise from both internal and external factors, including the provision of financial services through digital channels, the development of increasingly sophisticated financial products and services such as digital asset transactions, data management and protection, cybersecurity threats, AI adoption to enhance service delivery, as well as emerging technologies such as quantum technology, which may have implications for data encryption and cybersecurity in the future.

As part of its strategy to pursue sustainable growth and reinforce its leadership in the digital banking sector, the Bank places importance on strengthening customer trust and service security. To achieve these objectives, the Bank actively manages relevant risks, particularly operational risk, IT risk, and AI risk, by maintaining risk management standards that are robust, adaptive, and commensurate with the evolving risk landscape. The Bank continuously enhances its operational processes, internal controls, and risk management practices in accordance with related international standards such as ISO 27001 and ISO 31000, while ensuring compliance with the policies and supervisory guidelines of the Bank of Thailand.

Overall, digital risk management focuses on risk controls for prevention, detection, response, recovery and creation of a cyber hygiene culture covering the Bank's key business processes and work systems. Major operations are carried out in four areas:

- **Governance:** The Risk Oversight Committee oversees risk management to ensure alignment with risk management policy and strategy within the risk appetite.
- **Policies:** The Bank regularly reviews and updates relevant policies to be consistent with organizational structure, strategic vision of sustaining growth and maintaining leadership in digital banking, applicable regulatory requirements, and the evolving cyber threat landscape.
- **Processes and Technology:** Emphasis was placed on strengthening the IT and cybersecurity risk management framework, expanding its coverage across the Bank and its subsidiaries. This includes implementing robust measures to prevent data leakage, enhancing capabilities to protect against and respond to increasingly sophisticated cyber threats, and reinforcing risk governance over business partners and third-party service providers.
- **People and Culture:** The Bank develops employees' capabilities to keep pace with evolving business requirements, emerging risks and threats. Notable efforts include fostering a cyber hygiene culture, enhancing cyber awareness, and reinforcing confidence in the Bank's cyber resilience among four stakeholder groups: the Board of Directors and high-ranking executives, employees, customers, and counterparties. Through communications in different formats, the Bank provides timely cyber threat alerts and knowledge related to best practices. In addition, simulated phishing email and fraudulent website exercises have been conducted to ensure that employees are able to identify, respond to, and mitigate cyber threats effectively.

3. Business Directions and Operations of Core Businesses

3.1 Sustainable Development and Corporate Governance

❑ Sustainable Development in Action

KBank remains firmly committed to advancing sustainability development and has been selected as a member of the Dow Jones Best-in-Class Indices (DJ BIC) in both the World and Emerging Markets categories for 10 consecutive years. The Bank is the first bank in Thailand and the ASEAN region to achieve this distinction, based on S&P Global Sustainable's assessment of corporate sustainability performance across the environmental, social, governance, and economic dimensions.

Key sustainability initiatives in the second quarter of 2026 are as follows:

- The Bank hosted the 4th Earth Jump 2026 under the theme “A Bridge to Empowered Actions.” The event featured sustainability experts who shared practical insights to help businesses strengthen their resilience, accelerate their transition, and achieve sustainable growth.
- The Creative Climate Research Center (CCRC) under KBank organized the “Net Zero Leader: Financial Readiness” program, focusing on investment in sustainability projects to address energy challenges while generating attractive returns. The program equips business leaders with the knowledge and confidence to make informed sustainability investment decisions by assessing capability readiness and evaluating project risks and returns to strengthen long-term business resilience.
- The Bank signed a Memorandum of Understanding on Green Freight with leading organizations under the Thailand Climate Business Network (ThaiCBN) to promote tangible greenhouse gas reduction initiatives in Thailand's logistics and transportation sector. Participating organizations include Prince of Songkla University, the Electricity Generating Authority of Thailand, Thailand Post Company Limited, Innopower Company Limited, Siam Michelin Company Limited, and SCG JWD Logistics Public Company Limited.
- The Bank introduced Thailand's first Bonus Structured Note linked to the SETESG Index, with IRPC Public Company Limited participating as the inaugural investor. Proceeds from the investment will be allocated to environmentally related projects to accelerate Thailand's transition towards a low-carbon economy.
- The KASIKORNBANK Foundation, the World Bank, and the Office of the National Economic and Social Development Council (NESDC) signed a Memorandum of Understanding to collaborate on the study and development of natural capital framework. The initiative aims to strengthen watershed forest management through the Nan Sandbox project by establishing it as a national learning and pilot area for applying internationally recognized economic valuation tools, creating a model for sustainable and balanced economic development.

❑ Corporate Governance

During the quarter, KBank remained committed to upholding good corporate governance standards in a consistent and sustainable manner, while fostering a strong governance culture across the organization. Key initiatives included the following:

- Organized an orientation session for new directors and communicated matters related to good corporate governance and sustainability development through CG Journal and KBank Bulletin.
- Communicated with directors, executives, and employees on important practices, including silent periods for securities and stock futures trading and disclosing information related to the Bank's operating results; restrictions on share sales under the share repurchase project for financial management purposes; compliance with personal data protection laws; and whistleblowing channels.
- Continued conducting phishing drill exercises for executives and employees by sending simulated phishing emails to enhance awareness and resilience against cyber threats.
- Held a communication session with companies within KASIKORNBANK FINANCIAL CONGLOMERATE to convey guidelines on information technology and cybersecurity risk management, operational risk management, subsidiary governance, and regulatory compliance.
- Participated in corporate governance assessments conducted by external organizations, including the Thai Investors Association and the Thai Institute of Directors Association.

3.2 Business Directions of KASIKORNBANK and the Wholly-owned Subsidiaries of KASIKORNBANK

KBank pursues its strategy based on the principles of a Bank of Sustainability, aiming to create sustainable value for key stakeholders, including shareholders, customers, regulators, employees, and society. This is guided by K-Culture, which fosters continuous learning and high-performance execution through five core values: Customer at Heart, Productivity with Value, Innovation that Scales, Trustworthiness, and Integrity. These values serve as the foundation for enhancing service excellence and ensuring sound business operations, reinforcing the Bank’s ambition to become a leading regional financial institution.

The Bank continues to strengthen its “Customer Strategy” as the core driver of the organization by deepening its understanding of customers' underlying needs and designing tailored solutions for three key customer segments, as follows:

- Retail Customers: KBank aims to be “the bank that understands and stands by customers at every stage of life” by delivering financial advice and experiences that address individual needs.
- SMEs: The Bank strives to be “a trusted business partner that helps businesses grow” by providing comprehensive financial solutions that address the needs of both enterprises and business owners.
- Corporate Clients: The Bank is dedicated to being “a strategic partner that helps businesses grow” by delivering industry-specific solutions, supply chain support, and strategic advisory services.

At the same time, the Bank remains committed to driving sustainable growth through its K-Strategy 3+1, while enhancing productivity across all dimensions to improve agility and maintain an optimal cost structure. This includes strengthening its three core businesses by expanding the high-quality loan portfolio to generate sustainable returns, scaling fee income through a broader range of products and services, and reinforcing its service channels to better meet customers' evolving needs. The Bank also continues to build on new business opportunities to establish future sources of revenue and support long-term growth.

In addition, KBank is committed to supporting Thailand's transition towards Net Zero greenhouse gas emissions and sustainable growth. To this end, the Bank has set a target to allocate Baht 400–500 billion in sustainable finance and investment by 2030, while delivering climate solutions under its ESG Beyond Banking Solutions strategy in collaboration with the KOP50 Group. These initiatives are designed to enhance customers' competitiveness and support their transition to a low-carbon economy.

The Bank has also adopted a proactive and integrated risk management framework that leverages data-driven insights, complemented by prudent capital management and the cultivation of a strong risk-aware culture across the organization. Together with robust corporate governance and regulatory compliance, these efforts reinforce operational transparency, strengthen the Bank's resilience, and enhance its ability to navigate economic uncertainties.

The key strategic approaches and significant performance highlights under the K-Strategy 3+1 and Productivity in the second quarter of 2026 are summarized as follows:

3.2.1 K-Strategy 1: Reinvigorate Credit Performance

KBank places emphasis on expanding its quality loan portfolio through prudent credit underwriting, particularly in secured lending, while supporting the transition to a low-carbon society by extending credit aligned with environmental objectives. At the same time, the Bank enhances credit process efficiency through the adoption of technology. Key progress includes:

Key Progress	Operating Performance in the first half of 2026
• **Achieved high-quality and sustainable growth in the overall loan portfolio** by deepening relationships with existing high-potential business and retail clients, underpinned by prudent risk management and responsible customer stewardship. • **Promoted credit line utilization and retained the business customer base** by offering lending solutions that address the specific needs of different customer segments, while expanding ESG lending to support the transition to a greener economy and enhancing liquidity for vulnerable groups.	**Loans to Customers:** - Increased 3.32 percent from the end of 2025 **Asset Quality:** • NPL Ratio: 3.18 percent • Credit Cost: 1.58 percent • Coverage Ratio: 173.90 percent

Key Progress	Operating Performance in the first half of 2026
• **Expanded the mortgage portfolio with a focus on quality growth among high-potential customers** through partnerships with leading property developers, while improving sales effectiveness to deliver a seamless customer experience. • **Drove essential spending through credit cards and strengthened customer retention** by enhancing customer segment-specific benefits and implementing ongoing marketing initiatives to support everyday spending. • **Expanded the personal loan portfolio among high-potential customers** through lending programs designed to align with customers' risk profiles, thereby supporting sustainable, high-quality portfolio growth.	

3.2.2 K-Strategy 2: Scale Capital-Lite Fee Income Businesses

KBank scales the fee income by positioning as a trusted wealth management advisor, strengthening its capabilities in capital markets and foreign exchange services, while reinforcing leadership in comprehensive digital financial services for all customer segments. Key progress includes:

Key Progress	Operating Performance in the first half of 2026
Wealth Management and Bancassurance Business **• Comprehensive & Competitive Product Offering:** - **Mutual Funds:** KAsset retained its top position in the mutual fund business through adoption of a core-satellite strategy which focuses on disciplined portfolio construction for long- and short-term investments, as well as risk diversification across global asset classes. Notable products included the K-WealthPLUS Series, K Global Dynamic Bond Fund (K-GDBOND), and K Global Infrastructure Fund (K-GINFRA). Sustained investment inflows reflected customers' confidence in the core-satellite strategy. - **Life Insurance Products:** Strong growth in bancassurance was driven by insurance solutions that cover life protection, investment, and wealth transfer. Key products included Endowment Life Insurance 15/3 linked to the S&P Multi-Asset ESG Index, offering potential performance-based dividends upon maturity; Investment-linked Insurance Plans – 99/3, 99/5, and 99/10 – with investment strategies catering to different risk profiles; Life Insurance 90/5 Short-Pay, Long-Term Protection; and D Health Lite, a health insurance product providing broader coverage at an affordable premium.	**Mutual Funds:** • Assets under Management (AUM): - Ranked No. 1 with 22.4 percent market share - Growth: 4.9 percent from the end of 2025 • Number of new customers: 112,000 **Bancassurance:** • The market share of new life insurance premiums ranked second at 18.1 percent - Growth: 22.2 percent YoY • Number of new customers: 154,000

Key Progress	Operating Performance in the first half of 2026
- **Gold Investment:** Gold savings and trading via K PLUS expanded, with total trading value exceeding USD 24 billion, representing growth of more than 137 percent YoY. This reflects strong customer preference and the capability of K PLUS as a digital platform for gold investment. • **Sales and Service Model Enhancement with Digital Technology:** - **RM Productivity through Data-driven Triggers:** By leveraging localized leads, market-based triggers, customer insights, monthly mutual fund portfolio reviews, and personalized investment recommendations, Relationship Managers (RMs) were able to deliver higher-quality advice, engage customers more effectively, and improve sales conversion, particularly for insurance products. - **Master RM and Specialist Business Model:** Piloted a relationship management model for high-net-worth customers in Phuket, fostering close collaboration between product specialists and RMs. This initiative elevated advisory quality, strengthened customer relationships, and significantly supported growth in investment and insurance portfolios. - **Digital Engagement:** Enhanced the investment experience on K PLUS by providing personalized portfolio performance updates, market-aligned advice, and a seamless end-to-end transaction journey to empower timely investment decisions. These encouraged greater customer engagement and improved the overall digital investment experience. • **KBank WEALTH Brand Strengthening:** - **Brand Elevation through the TEAM & TECH Strategy:** Combined the expertise of the Chief Investment Office with advanced digital technology capability to enhance customer confidence and investment experience. Through targeted communications and personalized content, K WEALTH ranked No. 1 in Share of Voice (SOV) across social media platforms during the quarter. - **THE WISDOM Up & More Privileges 2026:** Offered tailored benefits for high-net-worth clients, while delivering a seamless service experience through exclusive events, redesigned membership cards, and enhanced digital services. The program strengthened engagement, expanding THE WISDOM customer base by over 2,500 new members and achieving member tier upgrades for more than 4,000 customers.	

Key Progress	Operating Performance in the first half of 2026
Payment • **Growth Areas:** - **Foreign Exchange Business:** Focused on sustaining revenue by expanding service points in strategic locations and launching the K+ Go Inter campaign to stimulate overseas spending. These efforts helped offset slower revenue growth resulting from a decline in both inbound and outbound tourists, as well as the ongoing shift from cash to digital payments. - **Merchant Business:** Revenue continued to grow, supported by new revenue streams, initiatives targeting new and strategic merchants, and increased transaction volumes and values among existing merchants. - **Corporate Funds Transfer:** Revenue grew, driven by the expansion of service connectivity with corporate clients through Corporate API and Host-to-Host solutions, which led to higher transaction volumes, alongside effective cost management. - **Cross-border Funds Transfer:** Revenue increased, driven by growth in low-value inward and outward remittances through digital channels, alongside the issuance of Standby Letters of Credit (Standby LCs). • **Declining Fee Areas:** - **Debit Card:** Revenue was slightly above target, supported by campaigns to drive card acquisition, usage, and spending, alongside effective cost management. - **SMS Alert:** Revenue was in line with expectations, reflecting effective cost management and efficient management of unprofitable accounts.	**Payment** • Digital Payment* - Market share: ~30.0 percent - Ranked No.1 in mobile active users **Source: The Bank of Thailand* • CASA Ratio: 82.56 percent

3.2.3 K-Strategy 3: Strengthen and Pioneer Sales and Service Models to Deliver Value-based Results

KBank strengthens its service channels by delivering a customer-focused digital-first experience, integrated seamlessly across all banking channels and supported by skilled personnel, while leveraging AI as a strategic enabler under optimized cost and risk management. Key progress includes:

Key Progress	Operating Performance in the first half of 2026
• **Led with a customer-focused digital-first experience**, resulting in increased digital sales and onboarding transactions. Key initiatives include: - **Expanded wealth products** by offering K e-FCD Savings on K PLUS, enabling fully foreign currency deposit account opening without branch visits. As a result, the proportion of accounts opened through digital channels increased to 87 percent, while transaction volume grew 1.7 times compared with year-end 2025. - **Delivered personalized in-moment investment recommendations** through portfolio health checks. Supported by the strong performance of overseas equity markets, mutual fund sales through digital channels increased 28 percent YoY. • **Strengthened leading position in digital banking** among retail and business customers: - **K PLUS for retail customers:** Offered the right products and services at the right time, based on behavioral data analytics. The Bank also expanded the coverage of overseas payments, particularly merchant-presented QR payments, which are now available throughout the People's Republic of China. As a result, the active usage rate increased from 77 percent to 78 percent. - **K BIZ for business clients:** Enhanced self-service capabilities on the K BIZ application to improve operational efficiency for businesses. As a result, juristic customer engagement grew by 7 percent from year-end 2025. In addition, the introduction of QR payment service on the K BIZ application contributed to a 22-percent YoY increase in monthly payment transaction volume. • **Optimized channel productivity and cost per transaction, while leveraging AI as a strategic enabler**, through the following initiatives: - **Merged branches and optimized the number of electronic machines** in line with a right-sizing strategy, while refining branch service models to better meet customer needs across target locations. - **Promoted self-service transactions through digital channels for both retail and corporate customers**, leading to a 2-percent YoY reduction in calls at K-Contact Center, and a 8-percent YoY decline in branch transactions.	• **Number of domestic K PLUS users:** - 24.7 million users - Growth: 2.1 percent from the end of 2025 • **Number of K BIZ users*:** - 0.8 million users - Decrease: 45.0 percent from the end of 2025 **Re-baselined to focus on juristic person customers* • **Digital Transactions:** - Increased to 95.6 percent • **Branch Network**:** - 707 branches - A net decline of 25 branches from the end of 2025 ***Excluded four branches classified as other branch format per the Bank of Thailand's conditions* • **Self-Service Channel (K-ATM and K-CDM):** - 9,577 machines - A net decline of 366 machines from the end of 2025 • **No.1 in Overall Brand NPS** according to 2025 survey results (Branch, e-Machine, K PLUS, and K-Contact Center)

3.2.4 K-Strategy +1: New Revenue Creation for Medium and Long Term

KBank drives the creation of new revenue streams by selectively investing in businesses that deliver attractive returns, alongside regional expansion and investments in innovation- and technology-driven businesses, as follows:

- **Broadening our Reach to the Mass Market and the Underbanked with Limited Access to KBank Services:** This endeavor is carried out through investments of KASIKORN INVESTURE CO., LTD. (KIV) in companies engaged in lending, payment services, and asset management. Focus is on enhancing service agility for retail customers and reducing credit risk costs by leveraging the capabilities of strategic partners and the Bank's infrastructure, with the establishment of subsidiaries, as follows:
  - **NGERN HAI JAI CO., LTD.:** The company offers car-for-cash services, including loans with vehicle title transfer and vehicle title pledge. In the first half of 2026, outstanding loans increased by 5.3 percent from year-end 2025.
  - **KASIKORN LINE CO., LTD.:** The company provides digital personal loans through an innovative lending platform that utilizes an enhanced credit risk assessment model to optimize costs. The company also leverages data analytics to increase credit limits for existing borrowers with good repayment records, supporting high-quality loan growth among both existing and new customers. During the first half of 2026, outstanding loans grew by 7.8 percent from year-end 2025, while the platform's total user base reached 8.8 million.
  - **JK ASSET MANAGEMENT CO., LTD.:** The company operates as an asset management business.
  - **KASIKORN GLOBAL PAYMENT CO., LTD.:** The company provides payment gateway services connecting companies within the KIV group. Priorities include expanding its merchant base, increasing transaction volumes among existing merchants, managing key accounts, and developing tools to drive continued growth. During the first half of 2026, transaction volume increased by 50 percent YoY.
  - **KASIKORN CARABAO CO., LTD.:** The company provides device financing solutions, with a focus on expanding lending to retail customers through a strong network of strategic partners.
  - **T2P HOLDING CO., LTD.:** The company leverages digital wallet infrastructure to develop B2B2C solutions in collaboration with companies within the KIV group. It also provides lending to SMEs and offers equipment financing to support income-generating activities for underserved customer segments through the Vyvr application.
  - **ATOME (THAILAND) CO., LTD.:** The company provides Buy Now Pay Later financing through the Atome platform, combining a credit scoring model with transaction-based credit approval to expand responsible lending to retail customers and merchants, while maintaining prudent risk management.

- **Becoming a Leading Regional Financial Service Provider:** KBank expands its business presence across key regional markets, including the Republic of Indonesia, the Socialist Republic of Vietnam, the People's Republic of China, the Lao People's Democratic Republic, and the Kingdom of Cambodia. The Bank provides lending and cross-border transactional solutions to high-potential regional businesses, with key initiatives summarized below.

- **Credit Products**
  - Local Corporate Segment: Expanded the loan portfolio by focusing on regional champion businesses, thereby establishing a stable growth base.
  - Thai Direct Investment in ASEAN and China (TDI–AEC) Segment: Supported the overseas expansion of Thai corporate customers investing in the People's Republic of China and across Southeast Asia by leveraging the Bank's strengths in cross-border financial services and payment solutions.
  - Chinese Direct Investment in ASEAN (SINO–AEC) Segment: Provided lending solutions to leading Chinese enterprises recognized as regional champions, while using credit facilities as a strategic entry point to build long-term customer relationships.
- **Non-Credit Products and Services**
  - Local Corporate Segment: Built a sustainable deposit base to reduce the Bank's funding costs.
  - TDI-AEC and SINO-AEC Segments: Offered transactional banking services to generate fee income and foreign exchange income.

- **Developing Innovation for Future Growth:** KBank continued to build on its traditional banking business to drive future growth and create new revenue streams, while aligning with evolving consumer behavior, technological advancements, and competitive dynamics. Key initiatives include:
  - **Financial Innovation**
    - **MAKE** – an application for managing savings and monthly expenses to build financial discipline. As of the end of the second quarter of 2026, MAKE had 4.72 million users. The Bank continued to develop its savings and personal financial management features, including: (1) Auto Savings and Cloud Pocket for goal-based saving and expense segregation; (2) Direct QR Payment Receipts into Cloud Pocket; (3) Health DIY, a customizable health insurance plan that allows customers to tailor coverage and premiums to their needs and budget; and (4) Slip Verification, aiming to enhance user experience and support more effective financial planning.
    - **KhunThong** – a social chatbot for payment collection in LINE group chats – had more than 3.3 million users.
    - **MeowJot** – an application that records and summarizes expenses from e-slips of mobile banking transactions. As of the end of the second quarter of 2026, MeowJot had 820,000 users. The Bank launched MeowDoo, a feature that analyzes spending behavior based on historical transaction data, together with a Budget by Category/Tag function to help users manage spending by category. The application was also enhanced to support expense tracking for credit cards issued by other financial institutions. In addition, new privileges were introduced for MeowSilver and MeowGold, helping users monitor, manage, and plan their spending more effectively.
    - **AI solutions for businesses**, currently adopted by more than 30 business partners, comprising:
      (1) AINU: AI-powered identity verification solution
      (2) InsurTech: AI-driven platform for vehicle damage inspection and preliminary assessment
      (3) AINU AppGuard: Innovative security solution designed to safeguard mobile applications

(4) Technology-as-a-Service: Project-based software development services delivered in compliance with IT regulations and standards (ITRS)

- Future of Finance
  - **Orbix Trade – a digital asset exchange:** Enhanced and upgraded the platform to better meet customer needs, particularly in UX/UI, covering the onboarding process and mule account detection system. The platform has more than 60,000 users so far.
  - **Orbix Invest – a digital asset fund manager:** Focused on enhancing platform capabilities and sales channels to advance digital asset investment in Thailand while expanding its customer base among high-net-worth individuals and institutional investors. Orbix Invest introduced Thailand's first digital asset portfolio management solution, offering three investment strategies designed to accommodate different risk profiles.
  - **Orbix Custodian – a digital asset custody service provider:** The first licensed digital asset custodian in Thailand. The company is currently expanding its customer base while exploring collaboration opportunities with traditional financial institutions.
  - **Orbix Technology – a blockchain infrastructure developer under Quarix Chain:** Provided services to companies within KASIKORNBANK FINANCIAL CONGLOMERATE and external business partners. Orbix Technology has launched multiple innovative projects built on the Quarix Chain infrastructure, with several undergoing testing under the Bank of Thailand's regulatory sandbox. The company has also developed decentralized applications (dApps) leveraging blockchain technology.
  - **Kubix – an ICO portal service provider:** Introduced a new fundraising model through digital tokens, enabling businesses to access alternative funding sources while connecting investors with new investment opportunities. The company has also initiated a green project focused on tokenizing carbon credits.

- Uplift Banking
  - **SKILLKAMP:** An e-marketplace platform for online learning, currently offering 450 courses with more than 37,000 registered users.
  - **Koncierge+:** A comprehensive IT platform for hospitality business management that is seamlessly integrated with the Bank's financial services. The platform offers 15 strategic solutions and is currently deployed across 312 hotels.

- Sustainability
  - **WATT'S UP:** An aggregation platform providing electric motorcycle and electric vehicle rental services. It currently serves more than 13,000 users and operates a network of more than 120 battery-swapping stations.
  - **GreenPass:** A platform for registering and trading renewable energy certificates (RECs), developed in collaboration with Innopower Company Limited, enabling solar rooftop owners to generate additional income at no cost.

- **KCLIMATE 1.5:** A service provider specializing in GHG data management and analytics to support the Bank's credit underwriting process and green-related services, with more than 50 corporate clients.
- **Creative Climate Research Center (CCRC):** A knowledge and research hub focused on Net Zero, aimed at fostering collaboration and advancing Thailand's climate ecosystem.

3.2.5 K-Strategy Productivity: Elevate Innovation and Productivity by Blending Advanced Technology, AI, and Human Intelligence while Fostering a Culture of Learning and High Performance

KBank focuses on enhancing its operating mechanisms and internal management to effectively support the execution of K-Strategy 3+1, while managing costs and resources appropriately to improve operational agility and strengthen long-term competitiveness. Priorities include improving key work processes through the adoption of technology and automation to reduce repetitive tasks, developing employee capabilities and incentive systems aligned with expected roles and performance, as well as optimizing operational structures and resource utilization to maximize efficiency and value.

3.3 Key Enablers

- **Data Intelligence and IT Integration**

KBank places importance on data management and analytics to enhance operational efficiency across all core businesses in line with the K-Strategy 3+1 and Productivity, while supporting the delivery of financial products and services tailored to different customer segments. Key focus areas include strengthening effective collaboration between business and IT units, developing data and AI management framework, upgrading technology and infrastructure, and continuously enhancing workforce capabilities. Key initiatives include:

1. **Enhanced financial and operational effectiveness** by initiating enterprise-wide data and AI use cases to support operations across the organization. Employees were encouraged to develop self-service data analytics and AI application skills to improve productivity. Focus was also on risk mitigation and credit quality management, mule account detection to prevent customer losses, and improvements to debt collection processes and customer services.
2. **Strengthened collaboration between business and IT units** through the design and development of data-driven solutions integrated with AI and IT capabilities under the Data and AI operating model. In parallel, resource allocation was optimized based on business priorities while ensuring that projects were delivered on schedule, within budget, and in accordance with quality standards.
3. **Enhanced data and AI governance framework** to ensure data security, regulatory compliance, and data quality management in line with established standards. Comprehensive metadata and data glossaries were developed on the enterprise data platform, enabling users to access data based on assigned

permissions. At the same time, AI policy and governance process were established in accordance with Responsible AI Principles, supported by organization-wide communication and awareness initiatives.

4. **Upgraded technology and infrastructure** to ensure that the enterprise data platform remains efficient, cost-effective, secure, and reliable within approved budget. Efforts included establishing standardized data structures, onboarding key users onto the data platform, and developing a centralized AI platform to support the deployment and scaling of enterprise-wide data and AI use cases.
5. **Prioritized continuous talent development** by enhancing data and AI skills and mindsets across all employee levels through learning programs and practical training on AI tools tailored to employees' needs and job functions. The Bank also supported knowledge-sharing activities, developed internal learning resources, and fostered data and AI communities and clinics as collaborative platforms for learning, discussion, and idea exchange.

■ IT Management

KASIKORN BUSINESS-TECHNOLOGY GROUP (KBTG) is committed to strengthening the capabilities of KASIKORNBANK FINANCIAL CONGLOMERATE in alignment with the Bank's strategies. This will be achieved through cost-effective technological development and maintenance of system and technology stability to build customer confidence and enhance the Bank's competitive advantage, as follows:

1. **IT projects**: Focus was on delivering IT initiatives to support the Bank's core businesses, particularly in lending, wealth management, and payments. Key projects included the enhancement of digital banking capabilities for SME customers (K BIZ), the modernization of enterprise data platform, the development of credit analytics and risk assessment solutions, and the upgrade of wealth management and payment systems to improve customer experience and operational efficiency.
2. **Strengthening trust through IT excellence**: KBTG continued to enhance the stability, security, and availability of IT systems to ensure customers and users can conduct financial transactions with confidence through reliable and uninterrupted services.
3. **Becoming an AI-driven organization**: Emphasis was placed on integrating AI capabilities and world-class technologies across both business operations and IT functions.
    - **Developed Analytics AI and Gen AI to support banking operations**, including business decision-making, operational efficiency improvement, and risk mitigation. Applications cover the credit process, asset management, wealth management, marketing, document automation, customer service, and chatbot development to enhance service quality and customer satisfaction.
    - **Expanded the adoption of AI and Gen AI across IT operations**, including software development, quality assurance and testing, cybersecurity threat detection, and system stability management. AI capabilities were also applied to enhance intelligent data search and analytics while streamlining operational processes to improve overall productivity.

- **Enhanced KBTG employees' AI capabilities** through the AI Level Up program, promoting the practical use of AI coding assistants and AI agents in day-to-day operations to accelerate AI adoption across the organization.
- **Strengthened technology capabilities through strategic collaborations with leading domestic and global technology partners.** In recognition of its achievements, KBTG was selected as a global case study in the World Economic Forum's The AI Playbook for Financial Services 2026, highlighting its successful implementation of a Human-First × AI-First strategy and its application of AI to create sustainable business value.

■ Human Resource Management

KBank has implemented its People Strategy designed to foster an agile, customer-centric, and AI-driven organization. The aim is to enhance operational efficiency, strengthen future-critical capabilities, and promote a high-performance culture across four key pillars as follows:

1. **Productive Workforce and Future Skills**: The Bank lays the foundation for workforce transformation by establishing directions for employee development and workforce planning to build future-ready capabilities. This initiative centers on reskilling alongside workforce mobility – reallocating and redefining roles to align with strategic business priorities. Additionally, the Bank scales the practical adoption of AI to drive operational efficiency and implements targeted work redesign to enhance agility for key workforce personas critical to organizational growth.
2. **Customer Strategy Capability Readiness**: The Bank builds strategic workforce through a 360-degree development ecosystem. This covers customer-centric operating structure design and aligns with business goals, focusing on essential capabilities, incentive mechanisms, and KPIs. In this quarter, the Bank conducted Trusted Advisor training for 2,000 Relationship Managers (RMs) and 9,000 frontline employees. The program enhanced consultative skills grounded in the LIFE-D framework, which integrates Life and Health Protection, Income and Wealth Growth, Efficient and Effective Business Operations, and Development for Sustainable Business Growth.
3. **Leadership and Talent Continuity:** To ensure seamless business continuity, the Bank proactively manages executive succession and high-potential talent pipelines. In this quarter, succession planning for all divisions was completed. In parallel, the Bank focused on purposeful and practical leaders alongside next-generation talent development programs. Core curricula center on AI proficiency, analytical problem-solving, strategic communication, trustworthy leadership, and customer centricity.
4. **High-Performance and Engaging Culture:** The Bank fosters a culture of productivity and employee engagement backed by performance management system and compensation structure. This includes enhancing performance evaluation frameworks and processes for senior management, and broadly communicating the Bank's updated core values through executive role modeling to promote shared understanding and drive meaningful results.

4. Operating Performance and Financial Position

4.1 Operating Performance

During the second quarter of 2026, KBank and its subsidiaries reported net profit attributable to equity holders of the Bank of Baht 13,247 million, a decrease of Baht 1,420 million or 9.68 percent compared to the previous quarter. Excluding one-off compensation income from investment of Baht 1,455 million, net profit attributable to equity holders of the Bank for the second quarter of 2026 decreased from the previous quarter by Baht 131 million or 0.98 percent. Net interest income amounted to Baht 31,432 million, a decrease of Baht 525 million or 1.64 percent. Meanwhile, non-interest income stood at Baht 18,291 million, an increase of Baht 727 million or 4.14 percent. This was mainly attributable to an increase in gain on financial instruments measured at fair value through profit or loss amid volatile yet favorable market conditions, as well as growth in fund management service income driven by solutions that effectively met customers' needs.

Other operating expenses amounted to Baht 20,750 million, an increase of Baht 1,471 million or 7.63 percent, due largely to an increase in marketing expenses in line with revenue growth, as well as IT-related expenses. Compared to the same quarter of the previous year, however, other operating expenses decreased by 0.26 percent, reflecting the ongoing implementation of the Bank and its subsidiaries' Productivity Strategy to enhance operational efficiency. In addition, the Bank and its subsidiaries set aside expected credit loss of Baht 10,019 million in accordance with their consistently prudent approach to cushion against economic uncertainties and risks arising from the challenging domestic and international environment that require close monitoring.

Operating Performance for the Second Quarter of 2026

(Unit: Million Baht)

	Q2-2026	Q1-2026	Change		First half of 2026	First half of 2025	Change	
			Increase (Decrease)	Percent			Increase (Decrease)	Percent
Net Interest Income	31,432	31,957	(525)	(1.64)	63,390	70,080	(6,690)	(9.55)
Non-Interest Income	18,291	17,564	727	4.14	35,855	27,622	8,233	29.81
Total Operating Income - net	49,723	49,521	202	0.41	99,245	97,702	1,543	1.58
Total Other Operating Expenses	20,750	19,279	1,471	7.63	40,030	40,855	(825)	(2.02)
Expected Credit Loss	10,019	9,823	196	1.99	19,842	19,868	(26)	(0.13)
Net Profit (attributable to equity holders of the Bank)	13,247	14,667	(1,420)	(9.68)	27,915	26,280	1,635	6.22
Basic Earnings per Share (Baht)[1)]	5.63	6.24	(0.61)	(9.78)	11.87	10.94	0.93	8.50

[1)] Basic Earnings per Share = Net profit (attributable to equity holders of the Bank) deduct dividend from other equity instruments after income tax divided by common shares outstanding

For operating performance during the first half of 2026 compared to the same period of last year, the Bank and its subsidiaries reported net profit attributable to equity holders of the Bank of Baht 27,915 million, an increase of Baht 1,635 million or 6.22 percent. Excluding one-off compensation income from investment of Baht 1,455 million, net profit attributable to equity holders of the Bank totaled Baht 26,609 million, an increase of Baht

329 million or 1.25 percent from the same period of the previous year. Net interest income amounted to Baht 63,390 million, a decrease of Baht 6,690 million or 9.55 percent, in line with the downward trend in interest rates. The decrease was also partly attributable to the Bank's interest rate reductions to help enhance customers' liquidity and ease their financial burden. As a result, net interest margin (NIM) stood at 2.91 percent, decreasing from 3.36 percent in the same period of the previous year. However, non-interest income increased, driven by: 1) income from wealth management services, supported by the enhanced Customer Strategy and the offering of comprehensive financial products aligned with favorable market conditions across the Bank, its subsidiaries and partners; 2) improved performance of insurance service; and 3) investment income.

Other operating expenses amounted to Baht 40,030 million, a decrease of Baht 825 million or 2.02 percent. Meanwhile, the cost-to-income ratio stood at 40.33 percent, reflecting the Bank's ongoing efforts to enhance operational efficiency across multiple dimensions, including human resource management, process improvement, and the application of technology and artificial intelligence (AI) to support operations and strengthen the Bank's long-term capabilities. In addition, the Bank and its subsidiaries continued to set aside expected credit loss based on a prudent approach, maintaining an appropriate level of reserves to cushion against uncertainties in economic conditions and future challenges arising from both domestic and international factors. Expected credit loss amounted to Baht 19,842 million, almost on par with the level recorded in the same period of the previous year. The credit cost ratio stood at 1.58 percent, in line with the Bank's 2026 target for credit cost ratio of 1.40-1.60 percent, as disclosed to the Stock Exchange of Thailand.

Major financial ratios that reflected operating performance of KBank and its subsidiaries in the second quarter of 2026 compared to the previous quarter, and in the first half of 2026 compared to the same period of last year included:

(Unit: Percent)

Financial Ratio	Q2-2026	Q1-2026	Increase (Decrease)	First half of 2026	First half of 2025	Increase (Decrease)
Return on Assets (ROA)[2)]	1.16	1.29	(0.13)	1.22	1.21	0.01
Return on Equity (ROE)[3)]	9.11	10.05	(0.94)	9.65	9.33	0.32
Net Interest Margin (NIM)[2)]	2.90	2.95	(0.05)	2.91	3.36	(0.45)
Cost to Income Ratio	41.73	38.93	2.80	40.33	41.82	(1.49)

[2)] Annualized

[3)] Return on average equity (ROE) = Net profit (attributable to equity holders of the Bank) deduct dividend from other equity instruments after income tax calculated on an annualized basis divided by average equity excluded other equity instruments at the beginning of the quarter / period / year and equity at the end of the quarter / period / year

(Unit: Percent)

Financial Ratio	Jun. 30, 2026	Mar. 31, 2026	Increase (Decrease)	Dec. 31, 2025	Increase (Decrease)
Significant increase in credit risk loans[4] to total loans[5]	7.45	7.40	0.05	7.30	0.15
Significant increase in credit risk and credit impaired loans[6] to total loans[5]	10.57	10.53	0.04	10.45	0.12
NPLs gross[7] to total loans[8]	3.18	3.19	(0.01)	3.20	(0.02)
Total allowance to NPL gross (Coverage Ratio)[9]	173.90	171.72	2.18	162.75	11.15
Loans to Customers to Deposits Ratio	87.69	84.48	3.21	86.89	0.80
Capital Adequacy Ratio[10]	19.24	19.95	(0.71)	20.35	(1.11)
Tier 1 Capital Ratio[10]	17.35	18.00	(0.65)	18.38	(1.03)

[4] Significant increase in credit risk loans used in calculation are loans to customers and loans to financial institutions which credit risk has increased significantly

[5] Loans used in calculation are loans to customers and loans to financial institutions and accrued interest receivables and undue interest receivables

[6] Credit impaired loans used in calculation are loans to customers and loans to financial institutions which credit risk has impaired

[7] NPL gross used in calculation are loans to customers and loans to financial institutions of non-performing loans

[8] Loans used in calculation are loans to customers and loans to financial institutions

[9] Included allowance for expected credit loss of loan commitment and financial guarantee, deposit to financial institutions, investments, and other financial assets

[10] KASIKORNBANK FINANCIAL CONGLOMERATE's capital adequacy ratio (CAR)

❑ Net Interest Income

KBank's consolidated net interest income for the second quarter of 2026 was Baht 31,432 million, decreasing by Baht 525 million or 1.64 percent over-quarter. The decrease came mainly from interest income from investments and trading transactions which declined by Baht 376 million or 4.31 percent in line with average yield, and interest income from interbank and money market items which dropped by Baht 269 million or 12.67 percent in line with average yield and average transaction volume. Meanwhile, interest income from loans to customers increased by Baht 188 million or 0.69 percent, driven mainly by growth in corporate business loans.

For the first half of 2026, KBank's consolidated net interest income was Baht 63,390 million, a decrease of Baht 6,690 million or 9.55 percent when compared to the same period of the previous year. The decrease was derived mainly from interest income from loans to customers which declined by Baht 6,918 million or 11.13 percent in line with declining interest rates. The decrease was also partly attributable to the Bank's interest rate reductions to help enhance customers' liquidity and ease their financial burden. Moreover, interest income from interbank and money market items decreased by Baht 2,251 million or 36.04 percent in line with the average yield. Meanwhile, interest expenses from deposits dropped by Baht 1,601 million or 18.63 percent in line with average interest rates.

(Unit: Million Baht)

	Q2-2026	Q1-2026	Change		First half of 2026	First half of 2025	Change	
			Increase (Decrease)	Percent			Increase (Decrease)	Percent
Interest Income	**40,003**	**40,457**	**(454)**	**(1.12)**	**80,461**	**88,900**	**(8,439)**	**(9.49)**
Interbank and money market items	1,862	2,131	(269)	(12.67)	3,993	6,244	(2,251)	(36.04)
Investments and trading transactions	8,354	8,730	(376)	(4.31)	17,085	16,446	639	3.89
Loans to customers	27,716	27,528	188	0.69	55,245	62,163	(6,918)	(11.13)
Hire purchase and finance leases	2,071	2,068	3	0.14	4,138	4,047	91	2.24
Interest expenses	**8,571**	**8,500**	**71**	**0.84**	**17,071**	**18,820**	**(1,749)**	**(9.29)**
Deposits from customers	3,486	3,505	(19)	(0.54)	6,992	8,593	(1,601)	(18.63)
Interbank and money market items	837	849	(12)	(1.41)	1,686	1,915	(229)	(11.91)
Contributions to Financial Institutions Development Fund and Deposit Protection Agency	3,308	3,260	48	1.49	6,567	6,204	363	5.86
Debts issued and borrowings	929	875	54	6.12	1,804	2,076	(272)	(13.13)
Others	11	11	-	-	22	32	(10)	(30.39)
Total Interest Income – net	**31,432**	**31,957**	**(525)**	**(1.64)**	**63,390**	**70,080**	**(6,690)**	**(9.55)**
Yield on Earning Assets (percent)	3.69	3.73		(0.04)	3.70	4.27		(0.57)
Cost of Fund (percent)	1.07	1.07		-	1.07	1.26		(0.19)
Net Interest Margin (NIM) (percent)	**2.90**	**2.95**		**(0.05)**	**2.91**	**3.36**		**(0.45)**

❑ Non-Interest Income

KBank's consolidated non-interest income in the second quarter of 2026 totaled Baht 18,291 million, increasing by Baht 727 million or 4.14 percent over-quarter. The increase came mainly from gain on financial instruments measured at fair value through profit or loss, which rose by Baht 1,650 million or 52.68 percent amid volatile yet favorable market conditions. Other operating income increased by Baht 554 million or 65.95 percent while net fees and service income rose by Baht 404 million or 4.05 percent, driven primarily by growth in income from fund management service that effectively met customers' needs.

When compared to the same period of last year, non-interest income in the first half of 2026 totaled Baht 35,855 million, increasing by Baht 8,233 million or 29.81 percent due mainly to net fees and service income which rose by Baht 3,729 million or 22.40 percent in line with increased income from wealth management service supported by the enhanced Customer Strategy and the offering of comprehensive financial products aligned with favorable market conditions across the Bank, subsidiaries and partners. In addition, the Bank recorded one-off compensation income from investment totaling Baht 1,455 million and insurance service result that rose by Baht 843 million or 11.91 percent.

(Unit: Million Baht)

	Q2-2026	Q1-2026	Change Increase (Decrease)	Change Percent	First half of 2026	First half of 2025	Change Increase (Decrease)	Change Percent
Non-Interest Income								
Fees and Service Income	16,109	15,894	215	1.35	32,002	26,579	5,423	20.40
Fees and Service Expenses	5,718	5,907	(189)	(3.20)	11,624	9,930	1,694	17.06
Fees and Service Income - net	**10,391**	**9,987**	**404**	**4.05**	**20,378**	**16,649**	**3,729**	**22.40**
Gain (Loss) on Financial Instrument Measured at Fair Value through Profit or Loss	4,781	3,131	1,650	52.68	7,912	7,724	188	2.44
Gain (Loss) on Investments	379	462	(83)	(17.89)	841	530	311	58.72
Share of Profit (Loss) from Investments using Equity Method	436	316	120	37.68	752	394	358	90.85
Dividend Income	1,059	1,097	(38)	(3.45)	2,156	2,028	128	6.27
Compensation Income from Investment	-	1,455	(1,455)	(100.00)	1,455	-	1,455	100.00
Insurance Service Result	4,000	3,927	73	1.85	7,927	7,084	843	11.91
Other Operating Income	1,395	841	554	65.95	2,236	1,340	896	66.84
Less Net Insurance Finance Expenses	4,150	3,652	498	13.62	7,802	8,127	(325)	(4.00)
Total Non-Interest Income	**18,291**	**17,564**	**727**	**4.14**	**35,855**	**27,622**	**8,233**	**29.81**

❑ Other Operating Expenses

KBank's consolidated other operating expenses for the second quarter of 2026 were Baht 20,750 million, an over-quarter increase of Baht 1,471 million or 7.63 percent due mainly to an increase in marketing expenses in line with revenue growth, as well as IT-related expenses to enhance the Bank's capabilities in customer services and operations.

When compared to the same period of last year, other operating expenses for the first half of 2026 were Baht 40,030 million, a decrease of Baht 825 million or 2.02 percent. The Bank continued to enhance operational efficiency across multiple dimensions, including human resource management, process improvement, and the application of technology and artificial intelligence (AI) to support operations and strengthen the Bank's long-term capabilities.

(Unit: Million Baht)

	Q2-2026	Q1-2026	Change Increase (Decrease)	Change Percent	First half of 2026	First half of 2025	Change Increase (Decrease)	Change Percent
Employee Expenses	9,967	9,746	221	2.26	19,713	20,870	(1,157)	(5.54)
Directors' Remuneration	83	27	56	212.06	110	171	(61)	(35.69)
Premises and Equipment Expenses	2,903	2,719	184	6.78	5,622	5,533	89	1.61
Taxes and Duties	1,354	1,336	18	1.33	2,691	2,911	(220)	(7.58)
Others	6,443	5,451	992	18.20	11,894	11,370	524	4.60
Total Other Operating Expenses	**20,750**	**19,279**	**1,471**	**7.63**	**40,030**	**40,855**	**(825)**	**(2.02)**
Cost to Income Ratio (percent)	**41.73**	**38.93**		**2.80**	**40.33**	**41.82**		**(1.49)**

❑ Classified Loans and Expected Credit Loss

- **Classified Loans**

KBank and its subsidiaries classified loans into three levels per TFRS 9. The classified loans in stage 2 include the loans with significantly increasing credit risk since initial recognition but without credit impaired. As of June 30, 2026 and March 31, 2026, loans with significantly increasing credit risk (underperforming loans) to total loans ratio was equal to 7.45 percent and 7.40 percent, respectively whereas loans with significantly increasing credit risk (underperforming loans) and credit impaired loans (non-performing loans) to total loans ratio was equal to 10.57 percent and 10.53 percent, respectively.

(Unit: Million Baht)

	Jun. 30, 2026		Mar. 31, 2026	
	Loans and Accrued Interest Receivables[1)]	Allowance for Expected Credit Loss	Loans and Accrued Interest Receivables[1)]	Allowance for Expected Credit Loss
Stage 1 Performing	2,273,156	47,385	2,168,106	45,604
Stage 2 Underperforming	215,644	57,594	211,187	56,481
Stage 3 Non-performing	90,143	44,834	89,295	44,418
Total	**2,578,943**	**149,813**	**2,468,588**	**146,503**

[1)] Including loan to customers and accrued interest and undue interest receivables

- **Modified Loans**

KBank and its subsidiaries engaged in modification contracts with customers. In the first half of 2026, there were loans before modification amounting to Baht 9,236 million and incurred losses amounting to Baht 89 million.

- **Expected Credit Loss**

KBank and its subsidiaries set aside expected credit loss of Baht 10,019 million for the second quarter of 2026, an increase of Baht 196 million or 1.99 percent compared to the previous quarter. Our expected credit loss to average loans was equal to 1.60 percent.

When compared to the same period of the previous year, expected credit loss for the first half of 2026 declined slightly by Baht 26 million or 0.13 percent. The Bank and its subsidiaries continued to set aside expected credit loss in accordance with the prudent provisioning policy, maintaining an appropriate level of reserves to cushion against uncertainties in economic conditions and challenges arising from both domestic and international factors that require close monitoring. Expected credit loss to average loans for the first half of 2026 stood at 1.58 percent. Additionally, coverage ratio as of June 30, 2026, was equal to 173.90 percent.

Expected Credit Loss

(Unit: Million Baht)

	Q2-2026	Q1-2026	Change		First half of 2026	First half of 2025	Change	
			Increase (Decrease)	Percent			Increase (Decrease)	Percent
Expected Credit Loss	10,019	9,823	196	1.99	19,842	19,868	(26)	(0.13)
Expected Credit Loss to Average Loans (percent)	1.60	1.60		-	1.58	1.62		(0.04)

❑ Non-Performing Loans and Properties Foreclosed

- **Non-Performing Loans**

As of June 30, 2026, financial conglomerate's NPLs stood at Baht 91,681 million or 3.18 percent of the total outstanding credit, including that of financial institutions. KBank's NPLs totaled Baht 84,927 million or 3.09 percent of the total outstanding credit, including that of financial institutions. The NPLs data is shown in the table below:

Non-Performing Loans

(Unit: Million Baht)

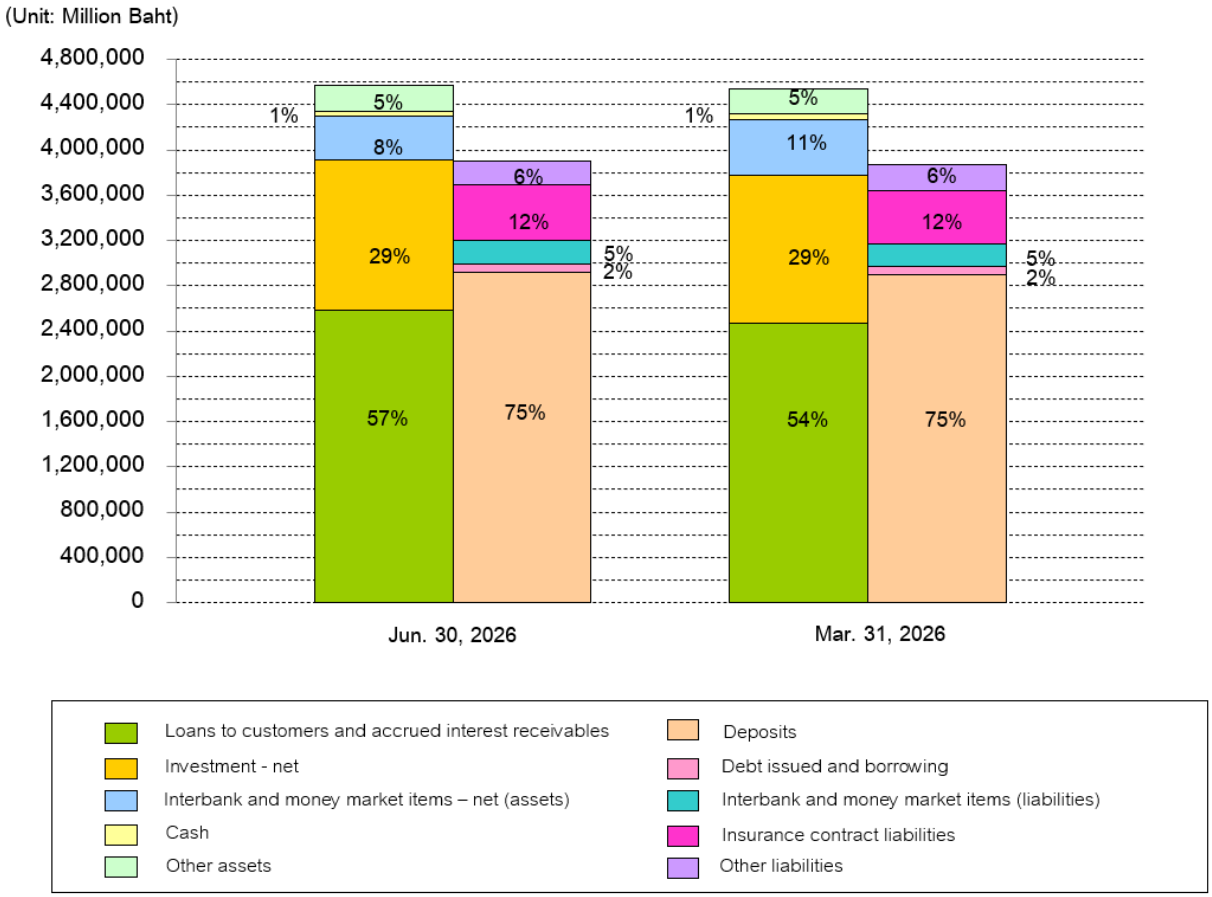
	Jun. 30, 2026	Mar. 31, 2026
Financial conglomerate NPLs	91,681	90,767
Percent of total outstanding credit, including that of financial institutions	3.18	3.19
KBank NPLs	84,927	84,161
Percent of total outstanding credit, including that of financial institutions	3.09	3.10

- **Properties Foreclosed**

As of June 30, 2026, our financial conglomerate properties foreclosed had a net value of Baht 57,746 million, thus being 1.26 percent of total assets.

4.2 Financial Position

Assets and Liabilities Structure

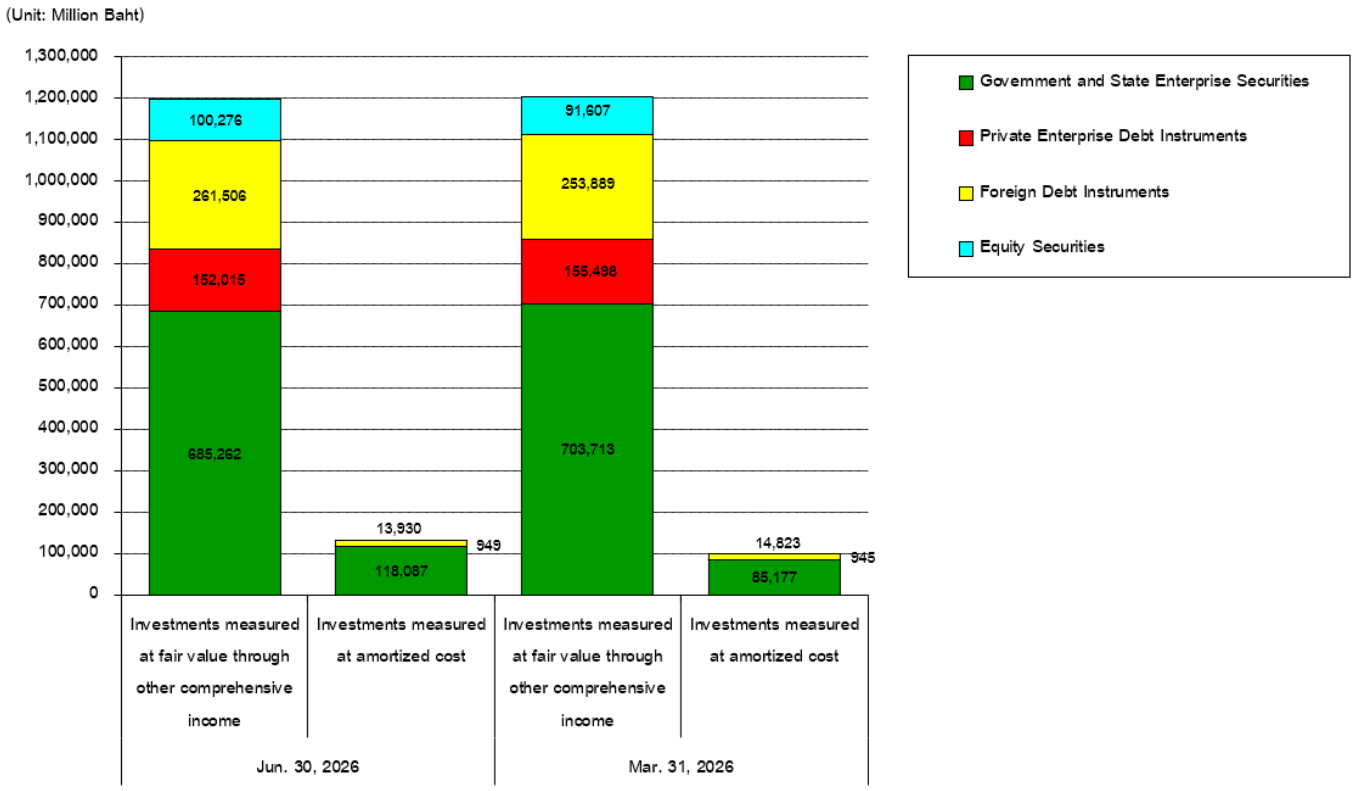


❑ Assets

At the end of the second quarter of 2026, KBank's consolidated assets totaled Baht 4,570,971 million, increasing by Baht 31,013 million or 0.68 percent from the end of the previous quarter. The increase was due mainly to loans to customers and net investment. Meanwhile, net interbank and money market items decreased. Key details are as follows:

- Loans to customers at the end of the second quarter of 2026 amounted to Baht 2,558,943 million, an increase of Baht 109,613 million or 4.48 percent from the end of the previous quarter, driven by growth in corporate business loans, reflecting the Bank's strategic focus on quality loan growth through prudent credit underwriting and appropriate risk-adjusted returns.
- Net investments at the end of the second quarter of 2026 totaled Baht 1,332,025 million, an increase of Baht 26,373 million or 2.02 percent from the end of the previous quarter, in line with expectation of market conditions and interest rate trends.
- Net interbank and money market items at the end of the second quarter of 2026 stood at Baht 384,448 million, a decrease of Baht 109,071 million or 22.10 percent from the end of the previous quarter, driven largely by KBank's liquidity management.

Investment in Securities



❑ Liabilities and Equity

KBank's consolidated liabilities at the end of the second quarter of 2026 amounted to Baht 3,904,607 million, increasing by Baht 39,980 million or 1.03 percent from the end of the previous quarter. The rise was mainly attributable to an increase in deposits and insurance contract liabilities. Significant changes in our consolidated liabilities included:

- Deposits at the end of the second quarter of 2026 amounted to Baht 2,918,027 million, an increase of Baht 18,626 million or 0.64 percent from the end of the previous quarter, due primarily to an increase in savings deposits.
- Insurance contract liabilities at the end of the second quarter of 2026 totaled Baht 486,131 million, an increase of Baht 17,147 million or 3.66 percent from the end of the previous quarter, in line with life insurance business transaction volume.

Equity (attributable to equity holders of the Bank) at the end of the second quarter of 2026 amounted to Baht 576,284 million, decreasing by Baht 10,641 million or 1.81 percent from the end of the previous quarter. The decline was due mainly to KBank's net operating profit in the second quarter of 2026 which totaled Baht 13,247 million. Meanwhile, the Bank approved payment of dividend from net profit for 2025 totaling Baht 23,510 million in May 2026 and an additional special dividend paid in the same month. The total dividend payment amounted to Baht 28,212 million.

❑ Relationship between Sources and Uses of Funds

As of June 30, 2026, the funding structure as shown in the consolidated financial statement comprised Baht 3,904,607 million in liabilities and Baht 666,363 million in equity. Equity attributable to the Bank amounted to Baht 576,284 million, resulting in a debt-to-equity ratio (based on equity attributable to the Bank) of 6.78. As of June 30, 2026, the main source of funds on the liabilities side was deposits, which equaled Baht 2,918,027 million or 63.84 percent of the total source of funds. Meanwhile, interbank and money market items as well as debt issued and borrowings accounted for 4.62 percent and 1.58 percent of the total source of funds, respectively.

Deposits with maturities within one year were larger than loans with remaining maturities within one year. This is considered normal for commercial banks in Thailand, which mainly mobilized short-term funds for long-term loan extension or investment. However, the majority of deposits at KBank were renewed continually upon maturities. As a result, most deposits remained with KBank longer than their contractual terms, thereby helping to support funding for the Bank's lending.

KBank and Subsidiaries' Major Sources and Uses of Funds

(Unit: Million Baht)

Period	Deposits				Loans and accrued interest receivables[1)]			
	Jun. 30, 2026	Percent	Dec. 31, 2025	Percent	Jun. 30, 2026	Percent	Dec. 31, 2025	Percent
≤ 1 Year	2,867,728	98.28	2,785,465	97.72	1,131,631	43.88	1,080,086	43.28
> 1 - 5 Years	50,299	1.72	64,922	2.28	555,504	21.54	548,725	21.98
> 5 Years	-	-	-	-	891,808	34.58	866,956	34.74
Total	**2,918,027**	**100.00**	**2,850,387**	**100.00**	**2,578,943**	**100.00**	**2,495,767**	**100.00**

[1)] Loan to customers and accrued interest and undue interest receivables

As of June 30, 2026, KBank and subsidiaries' major use of funds was loans to customers which amounted to Baht 2,558,943 million, resulting in loan-to-deposit ratio of 87.69 percent. As for the remaining liquidity, the Bank invested in various selections of liquid assets, such as interbank and money market items, financial assets measured at fair value through profit or loss, and investments in securities.

4.3 Loans and Deposits

❑ Loans

As of June 30, 2026, KBank's consolidated outstanding loans stood at Baht 2,558,943 million, increasing by Baht 109,613 million or 4.48 percent, compared to Baht 2,449,330 million as of March 31, 2026.

Loan Portfolio by Type of Customer and Credit Amount

(Unit: Million Baht)

	Jun. 30, 2026		Mar. 31, 2026	
	Corporate Business[1]	Retail Business[2]	Corporate Business[1]	Retail Business[2]
Loans	1,674,804	772,638	1,579,004	770,127

Notes: [1] "Corporate Business" refers to registered companies, certain private individual business customers, government agencies, state enterprises, as well as financial institutions, etc. KBank provides a variety of financial products and services to them, e.g., long-term and working capital loans, letters of guarantee, trade finance solutions, syndicated loans, cash management solutions and value chain solutions.

[2] "Retail Business" refers to private individual customers using KBank products and services, e.g., deposit accounts, debit cards, credit cards, personal loans, housing loans, financial advisory services, investment products and other transactional services.

KBank continues to pursue prudent loan growth, taking into account Thailand's economic conditions and the highly competitive lending market. Focus is on enhancing lending products and services, particularly through the use of data and technology to improve lending capabilities and operational efficiency. These efforts enable the Bank to better serve customers who demonstrate both borrowing demand and repayment capacity, thereby generating sustainable returns under rigorous risk management.

Corporate Business Loans

Total business loans (corporates and SMEs) in the second quarter of 2026 increased by Baht 95,800 million or 6.06 percent from the previous quarter. Growth was recorded in both the corporate and SME customer segments. Corporate business loans, which represent the Bank's core portfolio, recorded strong growth in the petroleum and petrochemical products, commerce consumer, and chemicals and chemical products industries. The Bank continued to focus on high-quality loan growth by leveraging comprehensive transaction data for risk assessment, expanding its lending to high-growth industries, providing liquidity support, and offering financing solutions tailored to customers' needs.

Retail Loans

Total retail loans in the second quarter of 2026 increased by Baht 2,511 million or 0.33 percent from the previous quarter, driven primarily by growth in mortgage lending through partnerships with property developers. Meanwhile, credit card loans and personal loans declined. Credit card loans decreased in line with seasonal spending patterns and prevailing economic conditions, while personal loans contracted amid the economic environment and the Bank's prudent lending policy. The Bank remained focused on supporting financing for essential spending while prioritizing lending to customers with sound repayment capacity. This was underpinned by a risk-based credit underwriting process designed to enhance operational efficiency and deliver a better customer experience.

❑ Deposits

Deposits Classified by Type of Deposit Account

(Unit: Million Baht)

	Percent of Total Deposits	Deposits		Change	
		Jun. 30, 2026	Mar. 31, 2026	Increase (Decrease)	Percent
Total Deposits	**100.00**	**2,918,027**	**2,899,401**	**18,626**	**0.64**
Current accounts	6.29	183,426	180,243	3,183	1.77
Savings accounts	76.27	2,225,825	2,205,441	20,384	0.92
Fixed-term deposit accounts	17.44	508,776	513,717	(4,941)	(0.96)

In the second quarter of 2026, current and savings account (CASA) deposits rose by Baht 23,567 million or 0.99 percent compared to the previous quarter, driven primarily by growth in deposits from retail customers. Meanwhile, fixed deposits decreased by Baht 4,941 million or 0.96 percent. As a result, the ratio of CASA to total deposits stood at 82.56 percent. Overall deposit levels remained consistent with the Bank's liquidity position.

Overall competition for deposits among commercial banks remained subdued, reflecting ample liquidity across the banking sector. This was against the backdrop of Thai economic growth continuing to expand below its potential, despite the easing of geopolitical tensions. Commercial banks maintained a prudent lending approach, resulting in modest loan growth, while the policy rate remained unchanged at 1.00 percent.

The Bank continued to manage its deposit portfolio with a focus on maintaining adequate liquidity and optimizing funding costs. During the quarter, the Bank introduced the K-ePocket savings account and launched an online marketing campaign targeting customers aged 12–17 to encourage account opening and promote sound savings habits. The product enables customers to manage their finances through the creation of sub-pockets, allowing them to set aside funds for specific purposes, such as meals, activities and travel, or other personal expenses. Customers can open a K-ePocket savings account conveniently via the K PLUS application.

4.4 Treasury Operations

KBank's treasury management strategy places emphasis on maintaining adequate liquidity. Liquid assets are managed in alignment with changes in economic conditions and developments in both domestic and international money and capital markets. During the second quarter of 2026, the US Federal Reserve maintained its policy rate at 3.50-3.75 percent per annum, continuing to adopt a cautious monetary policy stance as inflation remained above the target range, amid additional inflationary pressures arising from geopolitical tensions between the US and Iran. Meanwhile, Thailand's policy rate remained unchanged at 1.00 percent per annum. Against this backdrop, the Bank prudently increased the average maturity of bonds in its investment portfolio to an appropriate level, taking into account interest rate trends, while appropriately managing risks to mitigate potential impacts from interest rate volatility.

For overnight interbank borrowing transactions during the quarter, the average interest rate was 0.96 percent per annum, in line with Thailand's policy rate. This followed the Monetary Policy Committee (MPC)'s resolutions on April 29, 2026 and June 24, 2026 to maintain the policy rate in support of Thailand's economic growth, which remained below its potential level.

In addition, the Bank managed liquidity within an acceptable risk framework and with a focus on cost efficiency, relying on deposits as its primary source of funding – particularly current and savings accounts, which are considered high-quality transactional deposits. For foreign currency liquidity management, the Bank emphasized a funding strategy that matches maturities with funding needs in order to mitigate risks associated with securing liquidity in non-core currencies.

❑ Liquid Asset Ratio

KBank maintains average fortnightly current deposits at not less than 1.00 percent of total deposits and certain types of borrowings in accordance with the Bank of Thailand's regulations. As of June 30, 2026, our deposits at the Bank of Thailand and cash at cash center averaged Baht 30,059 million.

4.5 Operating Performances of K Companies and Muang Thai Life Assurance PCL

Operating Performance of K Companies[1)]
and Muang Thai Life Assurance PCL

(Unit: Million Baht)

Company	Performance Measurement	First Half of 2026	First Half of 2025	2025
KASIKORN ASSET MANAGEMENT CO., LTD. (KAsset)	Assets under Management	2,002,823	1,799,755	1,902,688
	Market Share (percent)	18.67	18.47	18.40
KASIKORN SECURITIES PCL (KSecurities)	Trading Volume	413,645	259,251	548,316
	Market Share (percent)	2.86	2.77	2.94
KASIKORN LEASING CO., LTD. (KLeasing)	Loans	124,603	122,868	124,659
KASIKORN FACTORY AND EQUIPMENT CO., LTD. (KF&E)	Loans	25,641	24,576	24,679
Muang Thai Life Assurance PCL (MTL)	Net Premiums Earned	36,922	33,971	74,479
	Market Share (percent)	10.81	10.40	11.01

Note: [1)] KResearch is not included, since this company does not engage in financial business.

During the first half of 2026, K Companies and Muang Thai Life Assurance PCL (MTL) attained satisfactory qualitative and quantitative operating performance. This achievement was attributable to the close cooperation between KBank and K Companies, as well as MTL. Key details are as follows:

KASIKORN ASSET MANAGEMENT CO., LTD. (KAsset): During the first half of 2026, KAsset maintained the number-one position in the industry gauged by assets under management (AUM), with a market share of 18.67 percent, and recorded the highest net investment volume in the industry, with a market share of 26.50 percent.

The company continued to lead the market in fixed income funds, balanced funds, tax-saving funds, and foreign investment funds. This achievement was driven by its strategic collaboration with J.P. Morgan Asset Management in product development and the KAsset Capital Market Assumptions (KCMA) 2026 research publication, while continuing its long-standing partnership with Lombard Odier to formulate investment strategies and develop sustainable investment products in line with international best practices.

To further broaden investment opportunities, KAsset launched new investment products, including private asset funds and global bond funds. The company also strengthened its distribution capabilities by enhancing the expertise of mutual fund sales personnel and expanding digital investment channels accessible through the company's website, K PLUS, and K-My Funds, enabling comprehensive support throughout the investment journey, from pre-investment advice to post-investment services.

KASIKORN SECURITIES PCL (KSecurities): During the first half of 2026, KSecurities recorded total Thai equity trading value of Baht 413,645 million, representing a 2.86-percent market share. The company remained committed to delivering high-quality customer service by broadening its range of investment products to better meet evolving customer preferences, enhancing its integrated online investment platform to provide timely, high-quality investment information and support trading across multiple investment products, and continuously improving service quality, particularly through the ongoing development of its investment advisors' capabilities.

KASIKORN LEASING CO., LTD. (KLeasing): During the first half of 2026, KLeasing's new loans totaled Baht 52,723 million, an increase of 21.61 percent YoY, and outstanding loans totaled Baht 124,603 million, up 1.41 percent YoY. The company remained focused on achieving quality growth and sustainable profitability by optimizing its loan portfolio towards higher-yielding products, while increasing fee income, maintaining asset quality, and enhancing cost efficiency through digital technologies that improve operational efficiency and customer experience. A key initiative was the enhancement of K-OK Digital Sales & Service into a fully integrated digital platform covering both loan applications and post-sales services, as follows:

- Digital Sales: The K-OK platform serves as a digital channel for auto loan applications (new and used cars), incorporating electronic Know Your Customer (e-KYC), electronic credit bureau verification (e-NCB), electronic consent (e-Consent), and automated credit scoring (A-Score). The platform assesses appropriate credit limits based on customers' financial capacity in accordance with the BOT's responsible lending guidelines. It also enhances the company's ability to efficiently accommodate seasonal fluctuations in loan applications without increasing staffing requirements.
- Digital Service: The KL LINE Official Account serves as the company's primary digital channel for post-sales services, including installment payments, insurance purchases, vehicle tax renewal, and other related services. The platform enhances customer convenience, reduces operating costs, and creates opportunities to offer products tailored to customers' evolving needs through digital channels.

KASIKORN FACTORY AND EQUIPMENT CO., LTD. (KF&E): During the first half of 2026, KF&E recorded outstanding machinery leasing and hire-purchase loans of Baht 25,641 million. In collaboration with KBank, the company continued to advance its sustainable financing strategy by providing comprehensive green financing solutions to support the clean and renewable energy sectors. These include financing for solar rooftop systems, EV charging station investments, and environmentally friendly machinery. At the same time, the company continued to strengthen its partnerships with machinery distributors across various industries, creating sustainable value and fostering long-term mutual growth.

Muang Thai Life Assurance PCL (MTL): During the first half of 2026, MTL held a 15.00 percent market share of total life insurance premiums in bancassurance business, ranking third in the industry, and a 18.06 percent market share of new life insurance premiums sold through the bancassurance channel, ranking second in the industry. These achievements were driven by the company's collaboration with KBank in developing a broad portfolio of life and health insurance products tailored to customers' diverse needs. The product suite covers wealth transfer solutions, health and critical illness protection, retirement planning, as well as business loan protection and Car Shield installment protection insurance. During the year, the company introduced new long-term savings life insurance products designed to support retirement planning and an ageing society, together with the Legacy 99/5 Fixed CV life insurance plan featuring a fixed cash surrender value, specifically designed for wealth transfer.

In addition, MTL and KBank jointly enhanced their end-to-end digital sales and service capabilities by improving the e-Application process, strengthening unit-linked portfolio information and servicing, and enabling premium payment reminders and payments through K PLUS and MTL Click. A dedicated customer care unit was also established to provide support for life and health insurance policyholders during hospitalization. Furthermore, digital distribution channels were expanded to allow customers to purchase insurance directly through K PLUS and MAKE by KBank, thereby responding to evolving customer preferences and driving sustainable business growth.

4.6 Capital Requirements

As of the end of the second quarter of 2026, KASIKORNBANK FINANCIAL CONGLOMERATE, under the Basel III capital requirements, had capital funds of Baht 572,069 million, consisting of Baht 515,661 million in Tier-1 capital (Baht 503,947 million in Common Equity Tier-1 capital) and Baht 56,408 million in Tier-2 capital. The capital adequacy ratio was 19.24, which was above the Bank of Thailand’s minimum requirement and buffer requirement of 12.00 percent. Meanwhile, Tier-1 capital ratio was 17.35 percent (Common Equity Tier-1 ratio was equal to 16.95 percent), all of which were above the BOT’s minimum requirement and buffer requirement of 9.50 percent and 8.00 percent, respectively. The details are shown as follows:

Capital Adequacy Ratio[1)]

- KASIKORNBANK FINANCIAL CONGLOMERATE[2)]

(Unit: Percent)

Capital Adequacy Ratio	Basel III					
	Minimum Requirements including Buffer Requirement[3)]	Jun. 30, 2026	Mar. 31, 2026	Dec. 31, 2025	Sep. 30, 2025	Jun. 30, 2025
Tier 1 Capital Ratio	9.50	17.35	18.00	18.38	19.62	18.68
Common Equity Tier 1 Ratio	*8.00*	*16.95*	*17.59*	*18.00*	*18.65*	*17.71*
Tier 2 Capital Ratio	-	1.89	1.95	1.97	1.98	1.98
Capital Adequacy Ratio	**12.00**	**19.24**	**19.95**	**20.35**	**21.60**	**20.66**

- The Bank

(Unit: Percent)

Capital Adequacy Ratio	Basel III					
	Minimum Requirements including Buffer Requirement[3)]	Jun. 30, 2026	Mar. 31, 2026	Dec. 31, 2025	Sep. 30, 2025	Jun. 30, 2025
Tier 1 Capital Ratio	9.50	16.51	17.26	17.57	18.84	17.86
Common Equity Tier 1 Ratio	*8.00*	*16.09*	*16.83*	*17.16*	*17.80*	*16.83*
Tier 2 Capital Ratio	-	1.96	2.01	2.04	2.06	2.05
Capital Adequacy Ratio	**12.00**	**18.47**	**19.27**	**19.61**	**20.90**	**19.91**

Notes: [1)] Excluding net profit of each period, which under the Bank of Thailand's regulations, net profit in the first half-year period is to be counted as capital after approval by the Board of Directors per KBank's regulations. Net profit in the second half-year period is counted as capital after approval of the General Meeting of Shareholders. However, whenever a net loss occurs, the capital must be immediately reduced at the end of period.

[2)] KASIKORNBANK FINANCIAL CONGLOMERATE means the company under the Notification of the Bank of Thailand Re: Consolidated Supervision, consisting of KASIKORNBANK, K Companies and subsidiaries operating in support of KBank, Phethai Asset Management Co., Ltd. and other subsidiaries within the permitted scope of the BOT to be a financial conglomerate.

[3)] Bank of Thailand required that the Bank maintain two capital buffers as follows:

- Conservation Buffer: BOT required that KBank maintain an additional Common Equity Tier 1 at more than 2.50 percent.
- Domestic Systemically Important Banks Buffer (D- SIBs Buffer): BOT required that KBank as a D-SIB maintain an additional Common Equity Tier 1 at 1.00 percent of total risk weight assets.

4.7 Credit Ratings

As of the end of June 2026, KBank's credit ratings assigned by Standard & Poor's and Fitch Ratings remained unchanged from those as of the end of March 2026.

On April 22, 2026, Moody's Investors Service revised the long-term rating outlook for Thai commercial banks, including KBank, to "Stable" from "Negative", following its revision of Thailand's sovereign rating outlook to "Stable" from "Negative" at the Baa1 rating level on April 21, 2026. The upgraded outlook reflected Moody's assessment that downside risks associated with US tariff measures had diminished, while risks stemming from the Middle East conflict remained broadly comparable to those faced by other countries with similar credit ratings.

Details of the Bank's credit ratings are shown in the following table.

KASIKORNBANK's Credit Ratings

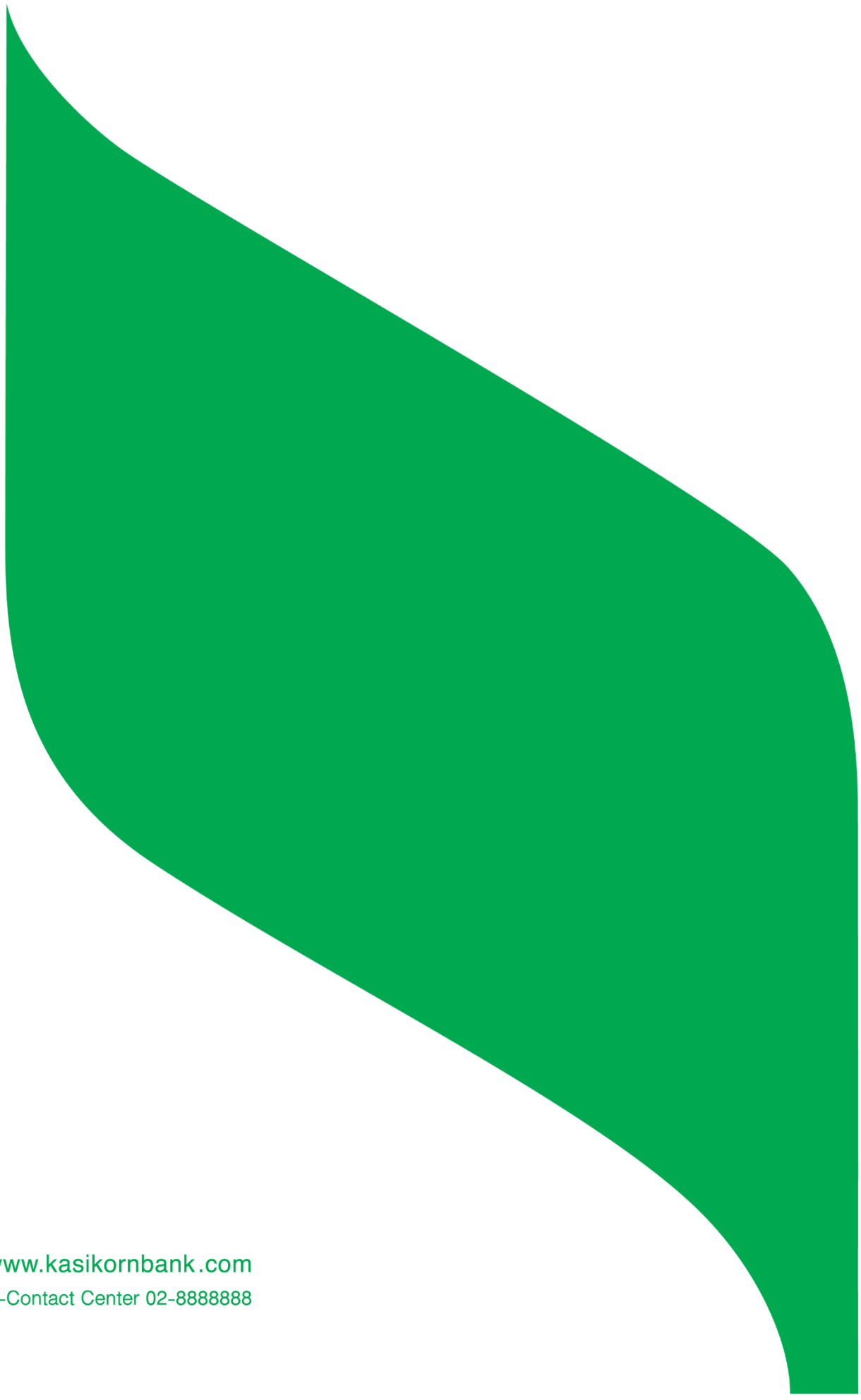
Credit Ratings Agency	Jun. 30, 2026	Mar. 31, 2026
Moody's Investors Service *		
Foreign Currency		
Outlook	Stable	Negative
Long-term - Senior Unsecured Notes	Baa1	Baa1
- Deposit	Baa1	Baa1
- Counterparty Risk	Baa1	Baa1
- Subordinated Debt	Ba1	Ba1
- Non–Cumulative Preferred Stock	Ba2	Ba2
Short-term - Debt/Deposit	P-2	P-2
- Counterparty Risk	P-2	P-2
Baseline Credit Assessment	baa2	baa2
Domestic Currency		
Outlook	Stable	Negative
Long-term - Deposit	Baa1	Baa1
- Counterparty Risk	Baa1	Baa1
Short-term - Debt / Deposit	P-2	P-2
- Counterparty Risk	P-2	P-2
Standard & Poor's *		
Global Scale Ratings		
Outlook	Stable	Stable
Long-term Counterparty Credit Rating	BBB	BBB
Long-term Certificate of Deposit	BBB	BBB
Short-term Counterparty Credit Rating	A-2	A-2
Short-term Certificate of Deposit	A-2	A-2
Senior Unsecured Notes (Foreign Currency)	BBB	BBB

Credit Ratings Agency	Jun. 30, 2026	Mar. 31, 2026
Fitch Ratings *		
International Credit Ratings (Foreign Currency)		
Outlook	Stable	Stable
Long-term Issuer Default Rating	BBB	BBB
Short-term Issuer Default Rating	F2	F2
Short-term Issuer Default Rating (xgs)	F3(xgs)	F3(xgs)
Senior Unsecured Notes	BBB	BBB
Viability	bbb	bbb
Subordinated Debt (Basel III-compliant Tier 2 securities)	BB+	BB+
Government Support	bbb	bbb
National Credit Ratings		
Outlook	Stable	Stable
Long-term	AA+(tha)	AA+(tha)
Short-term	F1+(tha)	F1+(tha)

Note: *The base levels for investment grade on long-term credit ratings for Moody's Investors Service, Standard & Poor's, and Fitch Ratings are Baa3, BBB-, and BBB-, respectively. For short-term credit ratings, the base levels for investment grade as viewed by these three agencies are P-3, A-3, and F3, respectively.

Disclaimer

Certain statements shown in this report are forward-looking statements in respect of the financial position or the performance of KASIKORNBANK PUBLIC COMPANY LIMITED ("KBank"). KBank has prepared such forward-looking statements based on several assumptions, and has relied on financial and other information available from public sources as of the date such statements were made. Statements containing words such as "expect", "believe", "estimate", etc. and other similar expressions, are considered as forward-looking statements which involve uncertainties and are subject to changes at any time due to future events, including but not limited to, changes in global/national economic, political and regulatory environment. Accordingly, the readers or the recipients of information shall carefully review this report and make their own independent decision as well as thoroughly evaluate such fact or information which may have changed prior to making any investment or entering into any transaction.



www.kasikornbank.com

K-Contact Center 02-8888888